



SECTION A, PAPER A2

Understanding local demand from older people for housing, care and support

This briefing paper forms part of Section A of the Strategic Housing for Older People Resource Pack. Section A discusses the wider policy context of housing for older people, and how we might better understand demand and supply in the market.

References are made to practical Tools and Resources provided at the end of the Section. These have been designed to support planners and developers in developing a strategic approach to meeting the housing needs and aspirations of older people.

Section B of the Pack looks in more detail at the effective delivery of extra care housing in particular, and contains further Tools and Resources. A comprehensive bibliography and webliography is provided in Section C.

Introduction

The key facts below illustrate a number of different trends concerning the population of older people in England. It shows a population that is living longer and has greater affluence than its predecessors but for some reveals problems of poverty and poor health for many more. It is this complex interaction of factors that makes it hard to translate demographic change into anticipated housing demand. This paper explores some of those complexities of need and desire that will influence demand and suggest some approaches that may be adopted. Further help can also be obtained from the Tools at the end of this section.

KEY FACTS – DEMAND

DEMOGRAPHY: In 2010 the population aged 65 and over was estimated as being eight and a half million, by 2030 it is thought it will reach nearly thirteen million. In 2007, for the first time ever, the number of people in the UK aged 65 and over was greater than the number of children aged under 16¹¹. Life expectancy is expected to continue to rise for both men and women reaching 81 and 85 years of age respectively by 2020 with the life expectancy for men increasing at a faster rate than that for women¹². By 2030 there will be a larger but still relatively small number of older people from black and minority ethnic groups; there is likely to be a doubling of the number of older disabled people and an increase in the number of older people with learning disabilities.

POPULATION DISTRIBUTION: By 2029 projections show that 36% of the population in the most rural local authority districts will be aged over 60, compared to just 23% in the most urban. By 2029 the population aged 75 years and older is projected to rise by 47% in urban areas, but by 90% in rural areas¹³. The average difference in disability-free life expectancy is 17 years¹⁴. For example, Tower Hamlets is predicted to face a growth in its over 80s population of just under 5% over the next twenty years, whereas Herefordshire will have a growth in the same age group of over 100%. In Herefordshire by 2030, the population aged 65 and over, will make up a third of the total population of the county.

WEALTH: Average gross pensioner incomes increased by 44% in real terms between 1994/95 and 2008/09, ahead of the growth in average earnings¹⁵. 59% of older people receive an occupational pension as compared to just 13% prior to 1945¹⁶. In 2008/09, pensioner couples in the highest

¹¹ HM Government (2009). *Building a society for all ages*.

¹² Department of Health (2010). *Healthy Lives, Healthy People: Our Strategy for Public Health in England*.

¹³ Department for Communities and Local Government (2008). *Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society*.

¹⁴ The Marmot Review (2010). *Fairer Society, Healthy Lives: Strategic Review of Health Inequalities in England post-2010*.

¹⁵ Office for National Statistics (2010). *Pension Trends*.

¹⁶ Data from the Pensions Policy Institute.

income quintile received median net incomes of £755 per week, compared with £197 per week for those in the lowest income quintile. It was also estimated in the same year that 1.8 million pensioners in the UK were living on less than 60% of equivalised contemporary median income after housing costs – the most commonly used official measure of poverty – compared with 2.8 million pensioners in 1999/2000¹⁷. However, people living in the poorest neighbourhoods will on average die seven years earlier than people living in the wealthiest neighbourhoods.

HOUSING: 76.1% of people aged 65-74 are living in property that they own¹⁸. The value of housing equity held by older people in the UK has been estimated as ranging from £751 billion¹⁹ to £3 trillion, which even at its lowest estimate means around £83,000 for every person aged 65 and over. Yet many older people live in housing that is less than suitable, either because of the poor fabric of the property or its unsuitability for someone who is older and has a disability. It is estimated that a third of older people live in non-decent or hazardous housing. The impact of this can be seen for example in older people who fall. Injuries from falling are estimated to cost the state over £1 billion a year – one in four falls involve stairs, and the majority take place in the home²⁰.

HEALTH: In the UK, like many western societies, the key issue has been our inability to compress the period of morbidity or ill-health people suffer prior to death. It drives up demand for care services but especially demand for health. For example, falls and resultant fractures in people aged 65 and over account for over 4 million bed days each year in England alone. The healthcare costs associated with fragility fractures is estimated at £2 billion a year and injurious falls, including over 70,000 hip fractures annually, are the leading cause of accident-related mortality in older people²¹. However, demand for health services are also influenced by poor health sector performance. In England, fewer than 40% of trusts are achieving the minimum standard on stroke care. Even in the best region, only just over half of trusts achieve the minimum standard, and in the worst (the East of England), only 29% of trusts achieve the standard²².

THE COSTS OF AN AGEING POPULATION: If state funded care service provision were to be simply increased in proportion to population growth, public spending on care services would need to double between 2010 and 2026.¹¹ Older people accounted for nearly 60% of the £16.1 billion gross current social care spend of Local Authorities in 2008/09²³. Dementia costs the UK economy £17 billion a year; in the next 30 years the number of people with dementia in the UK will double to 1.4 million, while costs could treble to over £50 billion a year²⁴. 12% of people aged 16 or over in England in 2009/10 were looking after or giving special help to a sick, disabled or elderly person. This represents around 5 million adults in England²⁵.

¹⁷ Office for National Statistics (September 2010). *Pension Trends, Chapter 13: Inequalities and poverty in retirement*.

¹⁸ Data from Projecting Older People Population Information (POPPI) system.

¹⁹ Data from Key Retirement Solutions Equity Release index which tracks the amount of equity held in property by people over 65 years of age in Great Britain. Figures are based on analysis of data from; the Office for National Statistics Family Spending Report (2009); the Land Registry House Price Index; Registers of Scotland House Price Statistics; and ICM (2010).

²⁰ Care & Repair, England (2006). *Small things matter: the key role of handyman services*.

²¹ Royal College of Physicians (2011). *Falling Standards, Broken Promises, Report of the national audit of falls and bone health in older people 2010*.

²² Care Quality Commission (January 2011). *Supporting life after stroke – A review of services for people who have had a stroke and their carers*.

²³ Housing LIN (2010). *Rural Housing, Older People and the Big Society*.

²⁴ Audit Commission (2010). *Under Pressure: Tackling the Financial Challenges for Councils of an Ageing Population*.

²⁵ Health and Social Care Information Centre (2010). *Survey of Carers in Households in 2009/10*.

The complexities of predicting demand

Predicting what the public will want and expect is a far from easy task. This is not only in terms of housing, but for any commodity, given that demand can be driven as much by marketing and advertising as by need. In the case of older people and demand for housing and care, it is the sheer size of demographic growth that commentators seize upon as equating with need, making the simple but erroneous judgement that growth will automatically be reflected in equivalent dependency.

"Almost a quarter of Brits will be aged over 65 in 20 years' time — heaping a massive burden on the taxpayer. Shock projections reveal by 2031 there will be 5.6 million more people over the current retirement age".

'Ancient Britains', The Sun newspaper, 2010.

However, knowing the pace and scale of the increase in the numbers of older people is not the same as being able to predict demand for particular types of accommodation or services and, within that demand, who may or may not be dependent on state provision. This is particularly true in assessing demand for relatively new types of provision which most older people may not have come across or have experienced, such as housing with care. Demand for any particular type of housing is likely to be influenced by a plethora of factors:

LONGEVITY: There are basically three schools of thought concerning long-term population growth.²⁶

- The first suggests that the population throughout history has continued to increase in longevity and therefore will continue to do so.
- The second view is that longevity has peaked and due to deteriorating diet and a lack of exercise, long term health conditions will mean some populations begin to die younger.
- The third (and as many might argue, the most problematic) is that the population will continue to live longer but with an increasing proportion of people suffering multiple disabilities, as medicine becomes better at keeping people alive but not cured.

DRUGS AND TREATMENTS: Demand for provision may be heavily influenced by treatments available. At the turn of the last century people died from very different conditions from now such as, for example, tuberculosis. At the forefront of current thinking is the potential for a cure for dementia using stem cell research where the emphasis is on either getting the stem cells already naturally present in the brain to replace the cells destroyed by dementia, or putting new stem cells into the brain, getting them to replace the cells destroyed by dementia. However, poor performance by the health service in areas such as falls²⁷, strokes²⁸ and continence²⁹ may alternatively increase the level of dependency and hence the demand for specific types of accommodation and for care and support.

²⁶ See, for example, Howse K (July 2006). *Increasing Life Expectancy and the Compression of Morbidity: A Critical Review of the Debate*, Oxford Institute of Ageing.

²⁷ Royal College of Physicians (2011). *Falling Standards, Broken Promises, Report of the national audit of falls and bone health in older people 2010*.

²⁸ Care Quality Commission (January 2011). *Supporting life after stroke – A review of services for people who have had a stroke and their carers*. Royal College of Physicians (May 2011). *National Sentinel Stroke Audit 2010, Round 7, Public Report for England, Wales and Northern Ireland*.

²⁹ Healthcare Quality Improvement Partnership and Royal College of Physicians (September 2010). *National Audit of Continence Care*.

ACCESSIBILITY: Clearly availability of provision and people's knowledge of what is available, impacts on the take-up of services. Equally, if service availability in a given area diminishes or increases then take-up is also likely to diminish or increase in equal proportion. For example, if the size of residential care homes increase and hence unit costs fall, take-up is likely to increase, even though residential care is not seen as the option of choice by most people. Price for some care services may also increasingly become a factor in influencing take-up.

Alternatively, if people have not heard about extra care housing, or cannot access information, then demand for provision is likely to be low. One local authority stated that demand for extra care housing was low as nobody identified such accommodation in their housing needs survey. However, as they had no extra care housing within their authority it is quite likely that people had no perception of what could be available and hence were hardly likely to choose it as an option.

"....The research suggests that there is very low awareness of how care and support are funded, although people do believe that caring for older people is a priority. People do not feel well-informed, meaning that very few people are planning to save for future care needs. Furthermore, findings indicate that people are often unable to distinguish between social care and health services."

Department of Health (2011). Fairer Care Funding: Analysis and evidence supporting the recommendations of the Commission on Funding of Care and Support.

WEALTH: Wealth influences demand in a variety of ways. Clearly there is a strong relationship between health and wealth, given

that in poorer areas people die younger than in more affluent areas. It can influence demand for housing in terms of people having property for sale. It will influence the balance between state funded care and that which people fund themselves.

People's attitudes to how they spend their money are also a factor. Older people may well see the purchase of a property as a financially sound use of their housing asset yet be resistant to paying for their care.

ATTITUDE TO RISK: People's attitude to risk, whether amongst family members or professionals, will impact on demand for what are perceived as 'riskier' service options.

"Demographic factors ... (such as a higher proportion of residents with dementia) point to an increasing reliance on relatives and representatives in the decision-making process."

Office of Fair Trading (2011). Evaluating the impact of the 2005 OFT study into care homes for older people.

In particular, clinicians' beliefs about what forms of care are appropriate after hospital discharge will impact on demand for services outside of 'the favoured' or more traditional pathway. For example, residential care might be marketed to anxious relatives, as offering 'safety' or 'peace of mind'.

INFORMATION: The extent of information about the services that are available and the outcomes those services are seeking to achieve will impact on demand³⁰. Lack of information will restrict the choices older people can make. Equally information in an inaccessible format will have the same effect. Inaccessibility may be in terms of language, in a lack of publicity or in format and style.

³⁰ All Party Parliamentary Group on Housing and Care for Older People (2011). Living Well At Home Inquiry.



What accommodation do older people want?

The Wanless Review, 'Securing Good Care for Older People'³¹, offered an analysis of people's preferences for housing and care as the table below shows. It illustrated that whilst there is a clear preference by older people to remain in their family home, many older people contemplate a move to alternative accommodation, although few people wish that to be residential care.

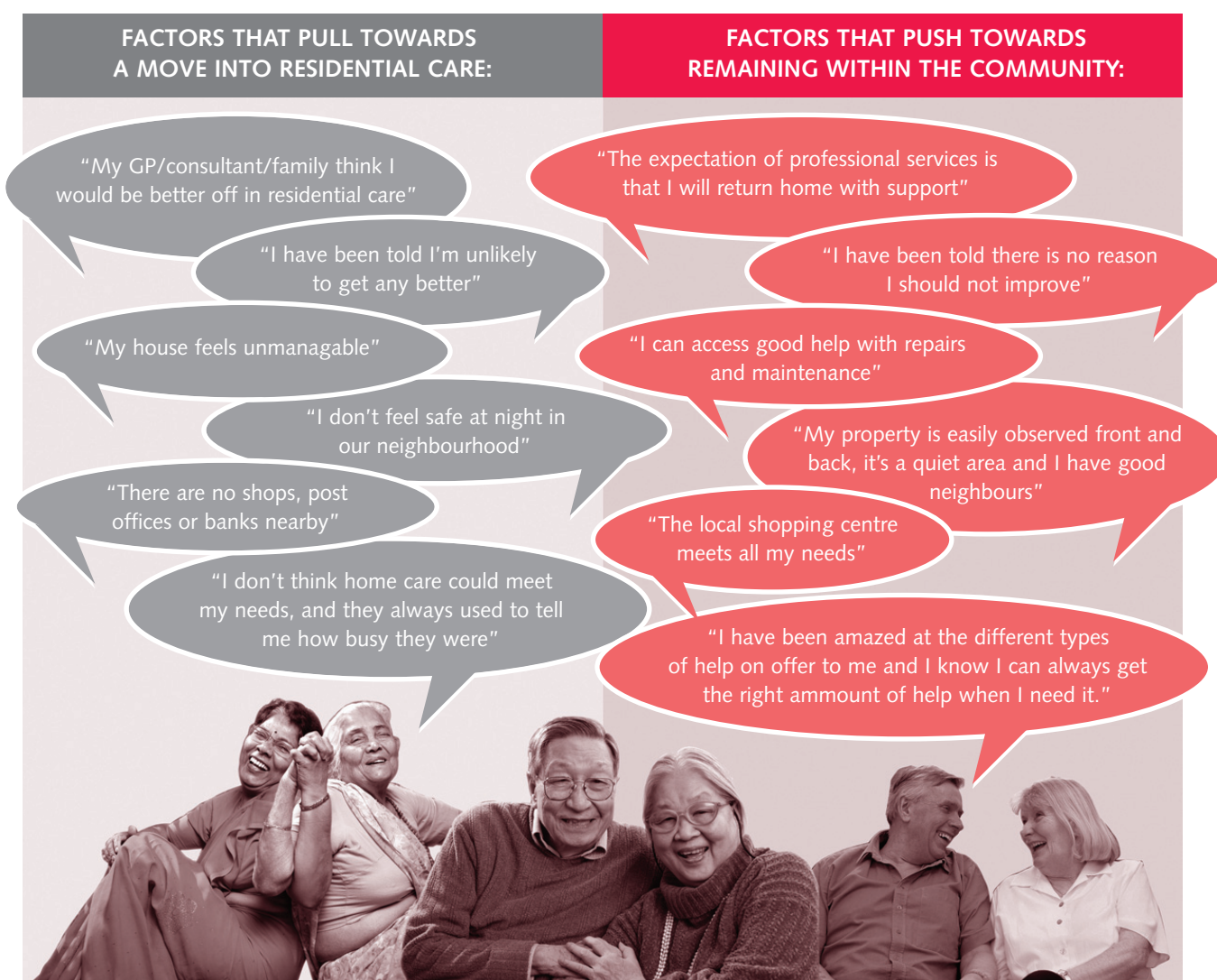
PEOPLE'S PREFERENCES SHOULD THEY NEED CARE:	%
Stay in my own home with care and support from friends and family	62
Stay in my own home but with care and support from trained care workers	56
Move to a smaller home of my own	35
Move to sheltered housing with a warden	27
Move to sheltered housing with a warden and other social care services such as hairdressing and organised social outings	25
Move in with my son or daughter	14
Move to a private residential home	11
Move to a local council residential home	7
Move to a residential home provided by a charitable organisation	3
None	1
Don't know	2

Such preferences are clearly not absolute but may be influenced by the choices that are on offer or indeed the perceptions people have as to what is available or is suitable. For example in the Netherlands³², where there is a wider choice of specialist accommodation for older people, the numbers wishing to move to alternative accommodation is greater than in the UK.

The numbers of people wishing to remain in their family home may be heavily influenced by limited choice rather than by a real preference. People's views and opinions are also heavily

³¹ Wanless D (2006). *Securing Good Care for Older People: Taking a long-term view*. King's Fund.

³² VROM (2002). *Housing for the elderly in the Netherlands*.



influenced by what they believe to be true or what they are told by professionals as the diagram above illustrates.

However, when the question is asked about what are the characteristics of good quality accommodation for older people then although bound by people's knowledge of existing provision, people are clear about their desires. It comes as no surprise that older people's housing preferences in some respects are no different from other people's: to live in a nice neighbourhood, to have accommodation that looks good and to have friendly neighbours. There is also a strong

preference for it to be housing that has low maintenance costs and is easy to look after.

It could be argued that, in terms of the overall housing market, if there is a demand for new types of housing then surely the market will respond to that need as and when it arises. However, in reality there are a number of problems with such an approach:

- In terms of the timescales involved in planning and funding specialist housing developments (often 2 – 5 years), it is simply not possible to wait for need to emerge and then put in place what people require.

"Bungalows are popular, as are houses; while ground floor access is preferred for mobility reasons, some research found this had disadvantages in terms of security, so ground floor properties are considered least satisfactory. For those who could manage stairs, upper floor flats are sometimes preferred for security and quiet.

Fuel poverty and poor insulation still emerge as significant issues in much research.

Space is considered important; this includes space for hobbies, to have family and friends to stay, and for couples to have space independent from each other. A large property was not considered problematic in itself, though the ability to heat or maintain it may be an issue. This is particularly important, given the increased time spent on home-based leisure activities by those over 65.

Safety and security are important, and while this may relate to fear rather than reality, it should be taken into account during the design of new developments.

Well designed kitchens and bathrooms are important, and should have space for wheel chairs or mobility equipment.

Shops, services and public transport should be within easy access.

Good neighbours are important, and their age was only found to be a slight concern.

An open outlook is also popular, to watch others come and go."

Scottish Executive Social Research (July 2006). *Time to Move? A Literature Review of Housing for Older People.*

Housing with care on site involves greater up-front costs than ordinary housing and hence is a higher risk for any developer.

- If provision is not available inevitably people fall back onto an institutional response of hospital and residential care (where there is already spare capacity if not the desire to occupy it). Often a housing move is precipitated by a crisis when people are ill. So inevitably the choice comes down to what is available.
- Most people are not good at predicting what will happen to them in old age, often believing that physical or mental incapacity is something that happens to other people and hence their future plans are not likely to take this into account.

Yet from the perspective of national wellbeing there are many good reasons for promoting the development of a wide range of housing suitable for older people. Good housing reduces the demand for care and support and improves people's health. It can deliver economies of scale when care is needed. It frees up family housing given that the highest levels of under-occupancy are amongst older people. Finally, given the widespread encouragement of home ownership, it offers a 'win-win' approach to provision, given that it is one way in which people can readily contribute to their health and well-being, whilst at the same time retaining their housing equity.

USEFUL RESOURCE

See **Tools A1** and **A2** for help in reviewing future needs and expectations amongst older people.



Developing projections of demand

Therefore, predicting future demand for particular types of housing is as much an art as it is a science. Baseline data can show likely future population trends, the number of owner occupiers, and the likely prevalence of certain conditions. Data about existing choices can show how demand for sheltered housing or residential care changes over time. However, people's desires and wishes also need to be understood and factored into the equation. As has already been stated give people few options and they are likely to remain in their traditional family homes even with a high degree of discomfort. Show attractive and affordable alternatives that match peoples desires and they are much more likely to opt for change.

Consumer led approaches

A number of local authorities and housing providers have begun to use structured focus group discussions with immediate pre-and post retirement populations to test the market. For some people even at 65 older old age may seem a long way off, yet for others, particularly those who have cared for their own older parents, they may have very clear views of their future accommodation needs and also what they might wish to avoid.

It is also possible to use example brochures of existing different types of specialist accommodation to explore people's potential preferences for where they might live and the price they might be prepared to pay for such accommodation.



Understanding existing use of accommodation

Much can be understood by exploring the existing use of accommodation. Care homes are referred to in more detail below but there is also information to be gained from other sources, such as understanding the relationship between sheltered housing and care homes. For example, which schemes seem good at supporting people in the community and why, as compared to which schemes seem to hurry people into residential care prematurely? What are the potential numbers that could have been cared for in the community if existing forms of accommodation had been available? There is also value in exploring the relationship between home adaptations, cost and outcomes. Sometimes even expensive modifications may still not be cost-effective, either in terms of the quality of life they deliver, or the potential to ensure someone remains within the community.

Understanding hospital admission and discharge data

Although an area that is often overlooked in terms of understanding demand for housing with care, reasons for hospital admissions, and data on hospital discharge, can provide a rich source of information about the impact inappropriate or poor housing is having on the health of the older population locally, and hence the scale of the potential demand for attractive, well-designed forms of specialist housing.

Two possible approaches

Neither of the approaches described are exact, but they can be used alongside other data to give at least a baseline for estimating potential demand.

A) MODELLING THROUGH CARE HOME DEMAND

Although perhaps now a little dated, a paper published in 2004³³ estimated that about a third of the population entering a care home could have moved to a form of housing with care as a viable alternative, with a further third who could have managed in such housing had they moved at some time earlier in their care history. Thus if you were only considering how demand for care home provision could be reduced through the delivery of extra care housing, this evidence would suggest that at least one third of residents could have been diverted to more appropriate housing with care, and possibly up to two thirds if appropriate information and advice had been available. You would then also need to consider the impact other interventions in the community could have on this demand, such as the provision of telecare, aids and adaptations, and better information.

B) MODELLING FROM POPULATION DATA

There are a number of different models for estimating demand for supported housing. "Housing markets and independence in old age"³⁴ offers one model. A more detailed approach is available in 'The Older Persons' Housing Toolkit'³⁵ although the assumptions on which it defines its prevalence rates are not included in the paper.

³³ Kerslake A and Stilwell P (2004). *What makes Older People choose Residential Care and are there alternatives? Housing Care and Support*; 7 (4): 4-8.

³⁴ Ball M (2011). *Housing markets and independence in old age: expanding the opportunities*. Henley, University of Reading.

³⁵ Appleton, N, in McCarthy and Stone (forthcoming). *The Older Persons' Housing Toolkit: Helping local authorities plan for specialist housing for older people*



FORM OF PROVISION	ESTIMATE OF DEMAND PER THOUSAND OF THE RELEVANT 75+ POPULATION
Conventional sheltered housing to rent	60
Leasehold sheltered housing	120
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) ³⁶	20
Extra care housing for rent	15
Extra care housing for sale	30
Housing based provision for dementia	6

Therefore, as a baseline, it is possible to extrapolate crude estimates of future demand from existing data. However, the result is likely to be heavily influenced by the range of services and accommodation that is offer.

USEFUL RESOURCE

See Tools A2 and A3 for help in identifying sources of data and approaches to exploring older people's preferences.



³⁶ Defined as provision with some care needs.



Key messages

The older people's population is going to significantly increase over the next twenty years with the oldest old group, and hence that most likely to need support, growing faster than the rest of the population.

The disparity between the richest group and the poorest is wide, although comparative affluence in older age is increasing substantially due to housing equity and occupational pensions.

The older people's population and its wealth is not distributed equally around the country and often not equally within any one local authority area.

Predicting future demand for housing with care services is subject to a large number of variables, but there is a good case for far more consumer research of what older people do and do not want from accommodation in older age. To gain an accurate view such studies need to be aspirational, not a review of current stock and choices.

Local authority planners and commissioners need to be clear about the volume of housing suitable for older people that might be needed, and where that can be located. In addition, they need to engage more effectively with primary health care and hospital to identify more integrated approaches across housing, health and social care for older people.